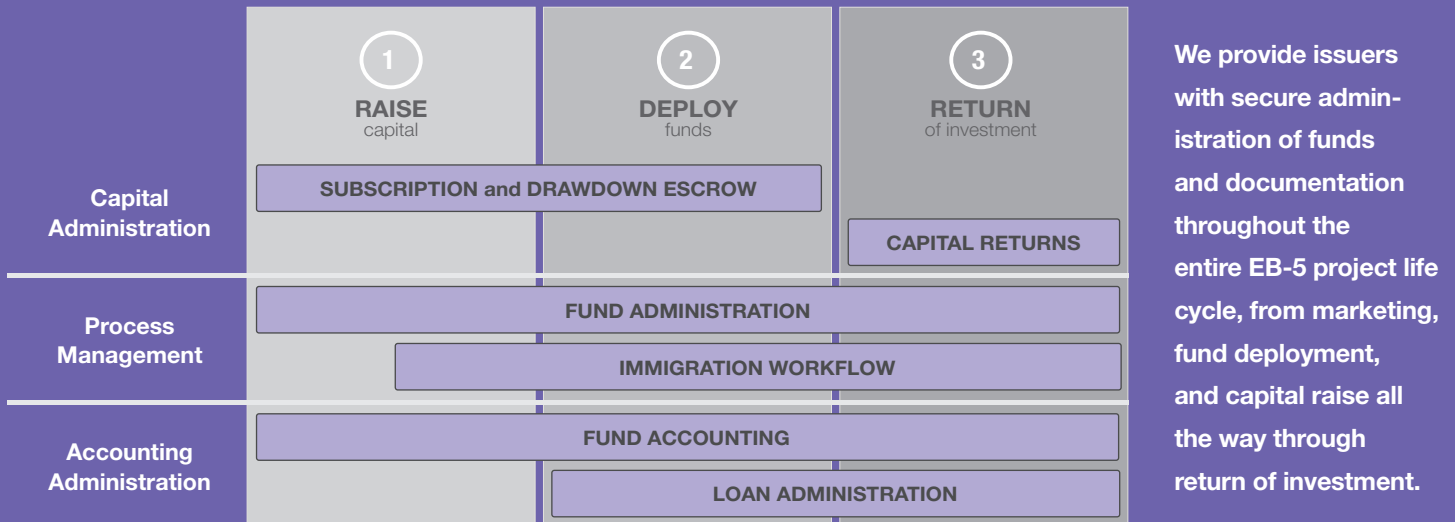


EB-5 Administration

Purpose-built third-party administration for the full EB-5 life cycle.



NES Financial, a JTC Company, offers technology-driven EB-5 services that streamline the complicated administrative requirements of EB-5 investor onboarding, accounting and immigration workflow. For EB-5 issuers, this means **a suite of purpose-built solutions that embed security and foster regulatory compliance** at each step. And for EB-5 investors, it means greater transparency and increased confidence in the project offering.

Advantages of our industry-leading EB-5 services:

- Security**
 Every year, we voluntarily subject our cloud-based eSTAC® administration platform to SOC 1 Type II testing, network vulnerability testing and business continuity testing to ensure our customers' data is protected.
- Transparency**
 Our platform gives your investors real-time visibility into project status, immigration milestones and financial information through a secure web-based portal — 24/7, from any device.
- Compliance**
 We support project success by tracking immigration milestones, supplying data and documentation necessary for SEC compliance, and generating a verifiable audit trail.
- Dedicated support**
 Our client services team gets to know your project's needs, and they have the relevant expertise to answer questions and navigate problems quickly if they arise.
- Enhanced access to capital**
 Relationships built through JTC's Private Client Services division, which provides administration and wealth management to HNW and UNHW individuals, position us to provide enhanced access to capital for you and your clients.

Capital Administration

- In-house legal expertise and service for faster setup of escrows
- Multiple banking options and comprehensive escrow templates, including the widest range of release triggers
- Investor portal with project documentation aggregation
- Consolidated and segregated investor account statements and reporting
- Non-commingled accounts
- Drawdown request and capital disbursement verification

Process Management

- Collects, organizes, and stores all mandatory documentation and information
- Tracks the flow of funds and produces required reporting
- Provides fund document aggregation and full audit trail
- Sends out timely alerts for impending due dates
- Enables mobile-friendly access to project information for issuers and investors

Accounting and Administration

- Handles complex waterfall calculations
- Configures for multiple tiers of loan accruals, calculations, and invoicing
- Efficient fund accounting and administration, including distributions and receipts
- Fast setup and streamlined, ongoing administration
- Assists in compliance with USCIS and SEC requirements, and seamlessly handles AML, KYC and OFAC compliance

About NES Financial

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As the North American division of JTC, NES Financial is the leading provider of third-party administrative solutions to US impact investment sectors, including the Opportunity Zones initiative and EB-5 Program, as well as to private equity fund managers and 1031 exchange participants. The company's technology-driven solutions streamline new best practices in these markets by simplifying specialized financial transactions, reducing back-office overhead, curtailing fraud and abuse, and offering security, transparency and regulatory compliance during each step of an investment's life cycle.

For more information, visit nesfinancial.com/eb-5/

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EB-5: Best Practices in Fund Administration

When NES Financial entered the EB-5 industry in 2010, we set the standards for best practices in raising EB-5 capital. As the EB-5 industry evolved and the administration of funds grew more complex, we kept pace by expanding and fine-tuning those best practices, as well as the services that we offered to efficiently implement them. Eventually, we began to administer funds for the full EB-5 life cycle, from the capital raise through return of investment.

Now, as a JTC Company, our reach has grown, and we continue our mission: to define and champion best practices, for the benefit of issuers and investors alike.

THREE PILLARS:

Security, Transparency, Compliance

Best practices in EB-5 fund administration have always fallen broadly into these three key areas:

SECURITY

Independent, third-party administration

- In mature financial industries, the use of independent, third-party controls and record-keeping is standard (and, in some cases, required). EB-5 stakeholders should embrace the same level of third-party oversight to ensure funds are received, invested and disbursed appropriately. (This isn't just a fund administration best practice, but also a marketing consideration — in an industry marred by high-profile cases of fraud and misappropriation, independent oversight becomes a key factor in immigrant investors' decisions.)
- Proper account structures, with defined release triggers and disbursement controls monitored and enforced by the administrator, help prevent mismanagement of funds while allowing the proper use of funds. (Though escrows designed to ensure refunds to investors whose immigration petitions are not successful are no longer feasible given current USCIS wait times, escrows remain vital as a tool to import and aggregate the subscription funds, and to ensure money can only be disbursed to the appropriate recipients. For more information, read our article: "The Changing Role of Escrow in the Age of EB-5 3.0".)

The NES Financial Impact Medallion

A badge of distinction for issuers and investors alike



Established to help develop and promote best practices in the EB-5 industry, the NES Financial Impact Medallion Program honors a select group of projects that adhere to the highest standards of security, transparency and compliance. The Impact Medallion Program encourages projects, investors, and regional centers to embrace best practices, and its medallions (pictured above) are recognized throughout the industry as a sign of operational excellence. In our clients' experience, a Medallion has proven to be a powerful tool when marketing to investors.

If you're interested in earning an Impact Medallion for your project, contact us today.

- Premier fund administrators will subject their processes and platforms to SOC 1 Type II testing, network vulnerability testing and business continuity testing to ensure customers' data is protected.

TRANSPARENCY

Make all material information accessible

- EB-5 issuers and project managers should apply high-bar transparency and audit best practices from the start. Not only can it save time in case of regulatory inquiry, it can also save costs in preparing periodic financial reports.
- Investors gravitate to projects offering real-time visibility into project status, immigration milestones and financial information. The best practice here is to offer a secure, web-based portal.

COMPLIANCE

A platform purpose built to facilitate compliance with securities and immigration laws

- I-526 and I-829 petition filings and supporting documentation, job creation tracking, visa availability dates, project updates and investor communications...the EB-5 program has complex tracking and reporting requirements, for both issuers and investors. A best practice is to make all material information accessible to all relevant stakeholders as and when needed, in one central location.
- Fund administrators support EB-5 projects by offering tools to track important dates and milestones, funds flow and job creation necessary for the investors' compliance with immigration laws and regulations; to collect, aggregate, sort and process data and documentation necessary for the issuers' compliance with securities laws and regulations; and to generate a verifiable audit trail at any point in the process.

Project developers, EB-5 issuers and regional centers that support and adhere to these best practices succeed in two ways: they mitigate risk to themselves and their investors, and they differentiate themselves in the marketplace.

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For more information, visit nesfinancial.com/eb-5

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EB-5 Regional Center Program Extended by Continuing Resolution for the 18th Time

The EB-5 Regional Center Program survived another sunset date in the 11th hour.

After passing both the House and the Senate, Continuing Resolution (H.R. 8337), was signed by the President on Oct. 1 and became law. H.R. 8337 funds the government and extends certain immigration programs, including the Regional Center Program, through December 11, 2020. This will be the 18th time the program has been extended since 2015.

The EB-5 program could be key for the economy as it seeks to recover from the devastation of the COVID 19 pandemic because it was designed to encourage foreign investment that generates domestic jobs. According to [IIUSA](#), the not-for profit industry trade association for EB-5 Regional Centers and professionals, the EB-5 Program helped generate \$20.6 billion in foreign direct investment to create and retain jobs for Americans between 2008 and 2015, all at no cost to United States taxpayers.

“Another short-term reauthorization is of course welcome, but now is the time we need to establish certainty with long term reauthorization so the program can truly flourish,” said Jill Jones, NES Financial’s EB-5 legal expert and former member of the IIUSA board of directors.

“The guidance from the CDC and WHO requiring businesses to shut down or operate in limited capacities to curb the spread of COVID-19 has upended entire industries. A long-term reauthorization of the EB-5 Program would encourage new projects to come to the market and convince leery investors to participate. Such an incentive could actually stimulate job growth in the face of pandemic-related job loss.”

According to the [October 2020 Visa Bulletin](#), a tremendous underutilization of visas authorized for FY2020 means that there will be far more employment-based visas available for FY2021. In fact, employment-based visas have historically been capped at 140,000 per year. It is estimated that number will increase to 261,500 visas for the employment category, and 18,567 of those will be reserved for EB-5 applicants and their dependents.

This increase in available visas means that the wait time for retrogressed Chinese EB-5 investors could shrink from the 16 years predicted just last year to as short as 6 to 8 years, and that the current backlog of EB-5 investors, primarily those from China and India, awaiting visas could be substantially reduced.

In an interview with [Greencard by Investment](#), immigration lawyer Bernard Wolfsdorf says that the “spillover” of family-based visas to EB-5 this year combined with the reduced investor activity due to higher investment amounts will mean far more visas for China applicants.

Wolfsdorf also shared that most countries will not use their full 7.1% allocation of the available visas and those “leftover” EB-5 visas will be made available to the petitioners who have been waiting the longest. This will effectively create “the best ever year for China visa issuance.”

To show your support for the EB-5 program and its continued success, we encourage you to reach out to your Congressional representative and ask for their backing for a long term or permanent reauthorization of the program.

Get More

What is EB-5? Find out more by downloading our [EB-5 Fund Administration Solution Sheet](#).

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NES Financial™
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Wednesday, August 12th | 11:00 A.M. PT

EB-5 **EB-5 TRENDS AND REDEPLOYMENT DURING COVID**

A free webinar hosted by NES Financial, a JTC Company

SPEAKERS:

					
JEFF DRINKWATER <i>Regional Vice President Business Development - Eastern US, NES Financial, a JTC Company</i>	RONALD FIELDSTONE <i>Partner, Saul Ewing Arnstein & Lehr</i>	JASON ORLOSKY <i>Head of Bridgeway Asset Management, Bridgeway Wealth Partners</i>	JOSEPH HAGGENMILLER <i>President, LCR Capital Partners</i>	SCOTT FULLER <i>CEO & Managing Partner, Capital United, EB-5 United</i>	ROHIT KAPURIA <i>Counsel, Saul Ewing Arnstein & Lehr</i>

Experts Open Up on EB-5 Redeployment, Current Challenges Industry Faces

Since we held our last EB-5 webinar, the world has been turned upside down. The global spread of COVID-19 has upended entire economies, and the EB-5 Program touches three areas which have been severely affected: employment, immigration and real estate development.

On Wednesday, August 12, NES Financial, a JTC Company, hosted an important EB-5 webinar, *EB-5 Trends and Redeployment During COVID*, with industry leaders about the current state of the industry, including the July 24th update on the USCIS EB-5 Policy Manual. A recording of the conversation can be found [here](#).

Prior to the webinar, we spoke with our guest panelists, including Moderator Jeff Drinkwater, and asked them candid questions about the industry, including EB-5 redeployment. Read what Jason Orlosky, Head of Bridgeway Asset Management at Bridgeway Wealth Partner; Joseph Haggemiller, President & COO at LCR

Capital Partners, Ronald Fieldstone, Partner at Saul Ewing Arnstein & Lehr, and Rohit Kapuria, Counsel at Saul Ewing Arnstein & Lehr, had to say below.

How has COVID changed the EB-5 market for you?

Jeff Drinkwater: Our clients are having a more difficult time raising capital.

Ronnie Fieldstone and Rohit Kapuria: Because we are involved on so many levels with the EB-5 program (i.e. corporate securities counsel, immigration counsel, representing investors, representing borrowers, representing senior lenders, etc.), the effect has been diversified. Certainly, there has been a tremendous drop in new investor inquiries and related filings. However, given that USCIS continues to adjudicate petitions, we are busy with adjustment of status applications and I-829 applications. Separately, given the impact on the Covid-19 pandemic on the market, we have also been very busy preparing notices, on behalf of various NCEs, to their relevant investors as to project status, etc. To the extent the projects have been impacted, we have also been working on any loan workout/forbearance issues and even assisting with bringing in new capital to prop up failing projects. While we have quickly navigated the shelter in place rules, there does remain the restriction on traveling, meeting new clients and visiting with existing clients. Our EB-5 Issuer clients also face the same restriction. We are all in this together.

Joseph Haggemiller: Paid and Unpaid channels are not operational; live meetings aren't happening (important for LCR); digital is not making up for above; and general paralysis in decision-making.

Jason Orlosky: The impact of COVID-19, both the resulting quarantines and the slowdown in the growth of the U.S. Economy has had a large impact on our EB-5 Strategy in the marketplace. Our firm has designed a more liquid solution that enables NCEs and their investors to keep capital "at risk" and "engaged in commerce," but does not require a long lock-up period or high levels of risk. As a result, we are having numerous conversations with NCEs and their investors who are interested in using our strategy as they navigate the COVID-19 Recession and find the next project to further deploy capital. Additionally, investors and NCEs are more interested in utilizing our strategy as they enter the Sustainment period of the application process due to the lower level of risk.

Where are you finding investors?

Jeff Drinkwater: Our clients are finding investors in India and South America.

Ronnie Fieldstone and Rohit Kapuria: Our legal practice has, fortunately, not been reliant on the China and Vietnamese markets. As such, the other markets, specifically India, East & Southern Africa and Latin America, have been jurisdictions we have had tremendous exposure to.

Joseph Haggemiller: India, Latin America, Western Europe.

Jason Orlosky: As we are focused on redeployment only, we are primarily engaged with NCEs as a solution for further deployment during this challenging time.

Are you seeing any EB-5 redeployments?

Jeff Drinkwater: Yes, but mostly people are reinvesting in other projects that need capital that they have an ownership stake in.

Ronnie Fieldstone and Rohit Kapuria: Absolutely! This is a space we are extremely active in and given our experience on all parts of EB-5, we are uniquely placed to address redeployment needs. We have closed several redeployment loans over the last couple of years and are actively involved in a number of them at the moment. We have also dealt with issues related to seeking investor consent or dealing with litigation raised by investors who seek redemptions of their interests in NCEs. The latest quirk now is dealing with the effects of the July 24, 2020 update on the [USCIS EB-5 Policy Manual](#). That has thrown an added layer of complexity in the re-structuring process.

Joseph Haggemiller: A lot of redeployment ideas, but no transactions.

Jason Orlosky: Our conversations are focused exclusively on EB-5 redeployment, as our fund was designed to meet the investment of capital that needs to be redeployed prior to the completion of the EB-5 application process.

For additional information about NES Financial's EB-5 Administration Solution Suites, including Immigration Workflow and the Retrogression Report, please [click here](#).

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Q&A with JTC Group CEO Nigel Le Quesne on acquiring NES Financial, “responsible capitalism” and more

Right as COVID-19 was dominating the news and impacted stock prices around the world in late March, JTC Group, an award-winning provider of fund, corporate and private client services to institutional and private clients, operating in 19 countries, servicing over \$130 billion in assets, decided to still move forward with their bold plans to acquire NES Financial.

At the helm of JTC’s decision to stay the course was JTC Group’s CEO Nigel Le Quesne, who had spent time in NES Financial’s San Jose office to get to know the company and its staff a few months prior. For Le Quesne, who joined JTC as

its fifth employee in 1991, he knew that acquiring NES Financial would be a good fit, and the rest, as they say, is history.

We recently chatted with Nigel to learn more about why he wanted to acquire NES Financial, as well as his thoughts on “responsible capitalism,” his forecast for the rest of 2020 and more below.

What specifically attracted you to acquire NES Financial?

NES Financial is a great business with a fantastic team, strong track record, excellent clients and some genuinely innovative and cutting-edge technology. Strategically, we have been wanting to expand our presence in the US to participate in the fast-growing fund administration market and NES Financial is the perfect platform to help us reach our ambitions and drive long-term growth. In addition – and as a Group that has made nearly 20 acquisitions over the last decade – we were really attracted to the culture of NES Financial, which is based on deep client relationships, a passion for service excellence and an entrepreneurial spirit deeply rooted in their Silicon Valley heritage. It’s easy to find businesses to acquire, it’s much harder to find businesses of high quality that also have the right cultural fit, so we’re delighted to welcome the NES Financial team to the JTC Group.

Why is fund administration and third-party oversight personally important to you?

I am passionate about all parts of our business, but fund administration is particularly exciting because it has so much potential and carries so much responsibility and impact when it is done well. Historically, funds have managed their own administration, accounting and compliance in-house, but as the industry has grown and developed globally, especially alternative asset classes, it has become more and more compelling for managers to outsource administration tasks to a third-party expert that has the right people, knowledge and technology to complement the managers’ skills and let them focus on their core business. At JTC we have always taken a partnership approach with clients

and believe that our role is to act as a seamless extension that provides exactly the right combination of services and capacity to help our clients succeed over relationships that typically span up to 10 years or more. That depth of service relationship, and keeping up-to-date on all the relevant strategic, regulatory and technology developments is what motivates us to be best provider in the fund administration market.

What makes JTC different from other fund administrators?

We ultimately differentiate on the service we deliver for our clients and the value we add over the lifetime of relationships. We successfully achieve this by putting the client first, working to understand both their long-term strategy and their immediate needs, and then delivering the optimal blend of people and technology. The other major factor is our shared ownership culture, which has been in place for over 20 years. At JTC, every single employee is a direct owner of the company and that 'skin in the game' creates a unique culture of passion, attention to detail, loyalty and excellence that translates directly into the service we deliver.

What role does technology now play for JTC after acquiring NES Financial?

We believe that our offering is about people AND technology, but that the role of technology in that equation is growing all the time. We see technology as an enabler of client service excellence that allows us to provide better, richer services to clients as well as improve accuracy, speed and efficiency. If you combine the best human talent with the best technology, you have an incredibly potent combination and that is why we are so excited to have NES Financial, along with its Silicon Valley DNA, as part of JTC.

What is the importance of NES Financial now being able to have multi-jurisdictional offerings as a JTC Company?

Financial services, and specifically fund management and administration, is a global industry, so NES Financial now being part of JTC's international network – which spans 23 offices in 19 different countries – opens the door to a whole range of opportunities for new and existing clients. In fact, in the few months since we completed the acquisition of NES Financial, we have already seen strong demand for multi-jurisdictional services from existing US clients, who are requesting our support in key fund domiciliation markets such as Luxembourg, London and Dublin as they seek to expand their operations and access international capital. In addition, many of JTC's existing clients, including our UHNW private and family office clients are eager to access onshore services in the US and to take advantage of the market-leading technology solutions that NES Financial can provide.

Why is shared ownership and making employees stakeholders personally important to you?

It's not an exaggeration to say that shared ownership IS our culture at JTC and I am unbelievably passionate about it as a way to create the right environment, and foster the right behaviors, to deliver ethical, sustainable and long-term growth. Concepts such as responsible capitalism and environmental, social and governance (ESG) focus are high profile today, but we have been practicing shared ownership since 1998 when I created our first employee benefit trust and made every employee an owner of the business. Since then we have created over £250m (\$308.7 million) of value for our employee owners and the culture it created has ushered us through an impressive growth trajectory, which includes 32 years of revenue growth, 32 years of profitability and 30 years of profit growth – a track record we are collectively very proud of. We also had the unexpected honor in 2019 of having Harvard Business School write a case study about our shared ownership model and its success as part of their MBA program, which

was a wonderful external validation of something that comes naturally to us, but has to be fed and nurtured every day.

Why is ESG important and the concept of “responsible capitalism” to JTC?

ESG and responsible capitalism align perfectly with our shared ownership ethos and culture, so it’s fantastic to see these concepts gaining mainstream attention and traction. We have always sought to create a sustainable business and to be a responsible partner in the value chains of our clients. The social and governance parts of our business are firmly established aspects of our heritage and service offerings, and by doing so, we are also able to be part of the solution in areas of environmental impact and climate change. We are also ideally placed to help our clients in achieving their ESG goals, both directly and in terms of providing services such as ESG compliance and reporting. The current global coronavirus pandemic is a terrible tragedy, but it also highlights how companies such as JTC can support the solutions that are needed to get through it. Whether that’s serving multinationals that are involved in vaccine efforts, pension funds that support millions of workers, wealthy individuals and families that want to make philanthropic contributions; or our collective donation to support COVID-19 relief efforts, JTC can be an essential administration partner to all of them.

Forecast: What does the rest of 2020 look like for fund administration, especially JTC?

As someone who has been fortunate enough to work in this industry for a long time (including nearly 30 years with JTC after joining as the fifth employee in 1991), I do have the advantage of having lived and worked through previous global crises and upheavals, including 9/11 and the financial crisis of 2007/8.

What I’ve learned from those era-defining periods is that during times of extreme change, clients need more support, not less, and if we help our clients navigate the challenges they face, then our relationships, and ultimately our business, can emerge stronger and more resilient than ever over the long term.

As anyone would expect, the whole sector has been impacted by the Coronavirus pandemic and the full extent of what that means will take more time to play out fully. However, we believe that wherever there are challenges there are also opportunities, and with that in mind, when markets recover, we would expect a continuation of the established trend for many fund managers to engage with the opportunity to outsource their administration to a first-class partner, such as JTC.

Lastly, how do you pronounce your last name?

It's actually a French surname and is phonetically pronounced as 'Le Kayne.'

For more information about Nigel, or NES Financial and JTC's joint solutions, please click [here](#), or visit our website at nesfinancial.com.

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